

SENATE BILL REPORT

HB 2437

As of February 25, 2014

Title: An act relating to clarifying employee eligibility for benefits from the public employees' benefits board and conforming the eligibility provisions with federal law.

Brief Description: Clarifying employee eligibility for benefits from the public employees' benefits board and conforming the eligibility provisions with federal law.

Sponsors: Representative Hunter; by request of Health Care Authority.

Brief History: Passed House: 2/13/14, 90-7.

Committee Activity: Ways & Means: 2/27/14.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Pete Cutler (786-7474)

Background: The Health Care Authority (HCA) administers health and other insurance benefits plans for active state employees, retired state and K-12 employees, and some active local government and K-12 employees. The Public Employees' Benefit Board (PEBB) approves benefit plans and premiums for active employees and retired participants.

In general, state employees are eligible for benefits if it is anticipated that they will work an average of 80 hours or more for more than six consecutive months, though the eligibility standards differ for some types of employees. Faculty members at institutions of higher education who are expected to work half-time over a period of at least nine months are eligible for benefits for the entire instructional year. Seasonal employees who are expected to work an average of half-time or more, as defined by PEBB, over six months of the applicable work season are eligible for the benefits for the season of employment.

In 2009 the Legislature enacted a number of changes to PEBB eligibility rules, including clarifying HCA's authority to determine eligibility, as opposed to the employing agency, and moving eligibility criteria from rule to statute. HCA has the authority to determine eligibility, but may delegate to an employing agency the task of determining individual employees' eligibility for benefits. Any determination as to whether or not an employee is eligible for benefits is subject to periodic review, and appeals of agency eligibility determinations are reviewed by HCA.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

PEBB members may cover their unmarried dependents under the age of 25 in PEBB. An employee that chooses to cover a dependent with developmental or mental disabilities who is incapable of self-support may continue coverage at the same premium as for dependents age 20 or under regardless of the age of the dependent with disabilities. The Federal Patient Protection and Affordable Care Act of 2010 provides that for any plan year beginning after September 23, 2010, any health plan that provides coverage for dependent children must make such coverage available until attainment of age 26.

Summary of Bill: An agency participating in HCA-administered benefit programs is only authorized to make initial determinations of benefits eligibility if directed to do so by HCA. A new definition of employer group is created, and the term encompasses existing entities that may participate in HCA-administered programs according to law including counties, municipalities, political subdivisions, school districts, and others. A reference to adult family home providers is corrected.

Eligibility standards for seasonal employees are changed from half-time as defined by PEBB, to 80 hours per month, consistent with other part-time eligibility provisions. The definition of academic year is clarified to apply to either quarter or semester-based academic calendars, and half-time for academic employees is defined as one-half of the full-time academic workload as determined by each institution, or as calculated in the applicable statutes for community and technical college faculty.

The recognition of domestic partnerships through presentation of a certificate of domestic partnership issued by the Secretary of State is applied to both same-sex and opposite-sex domestic partnerships. State registered domestic partners of emergency service personnel killed in the line of duty are all made eligible for PEBB participation, and several provisions referencing state-registered domestic partners are clarified.

State-registered domestic partners of emergency service personnel killed in the line of duty are eligible to participate in HCA-administered Medicare supplemental insurance policies.

Dependent coverage provisions in PEBB programs are extended to dependent children up to age 26 in compliance with the federal Patient Protection and Affordable Care Act of 2010.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.